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3 March 2025

Subject: Management discussion and analysis of financial position and operating results

To: President and Manager

The Stock Exchange of Thailand

The overall operating performance of the Group

Unit: Million Baht

	2024	2023	Increase (decrease)	Variance (%)
Total revenues	9,149	9,820	(671)	(7%)
Net profit	221	573	(352)	(61%)

The Group reported a total revenue of 9,149 million baht for 2024, a decrease of 671 million baht, or 7%, compared to the total revenue of 9,820 million baht in 2023. This decline was largely driven by a reduction in revenue from the EMS (Electronics Manufacturing Service) business.

The Group also reported a net profit of 221 million baht for 2024, a decrease of 352 million baht, or 61%, compared to a net profit of 573 million baht in 2023. The main reasons for this decline include a drop in gross profit from the Enterprise Solutions and EMS businesses and increased administrative expenses.

Analysis of revenues

	2024		2023		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from the main business						
EMS business	2,777	30%	3,504	36%	(727)	(21%)
Enterprise solutions business	2,273	25%	2,209	22%	64	3%
Smart service business	3,717	41%	3,778	39%	(61)	(2%)
Total revenues from the main business	8,767	96%	9,491	97%	(724)	(8%)
Interest income from loans	135	1%	38	-	97	255%
Other income	247	3%	291	3%	(44)	(15%)
Total revenues	9,149	100%	9,820	100%	(671)	(7%)

EMS business

The Company reported revenue from its EMS business amounting to 2,777 million baht for 2024, a decrease of 727 million baht, or 21%, compared to the same period last year, which was 3,504 million baht. The primary reason for this decline was reduced orders from a major customer in the electronic circuit board manufacturing segment.

Enterprise solutions business

The Company reported revenue from its Enterprise Solutions business amounting to 2,273 million baht for 2024, an increase of 64 million baht, or 3%. This represents no significant change compared to the same period last year, which was 2,209 million baht.

Smart service business

The Company reported revenue from its Smart Service business amounting to 3,713 million baht for 2024, a decrease of 61 million baht, or 2%. This represents no significant change compared to last year's period, which was 3,778 million baht. However, revenue from the top-up kiosk business increased due to the rise in electronic wallet top-up services and internet package purchases. Conversely, revenue from the TAO BIN vending machine business decreased because the kiosks were taken offline for upgrades to enhance operational efficiency and focus on finding higher-quality installation locations.

Interest income from loans

The Company reported interest income from loans amounting to 135 million baht for 2024, an increase of 97 million baht, or 255%, compared to the same period last year, which was 38 million baht. This growth is attributed to the loan portfolio expansion from members of large organizations.

Gross Profit and Gross Profit Margin

	2024		2023		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
EMS business	349	13%	511	15%	(162)	(32%)
Enterprise solutions business	549	24%	698	32%	(149)	(21%)
Smart service business	979	26%	1,046	28%	(67)	(6%)
Total Gross Profit	1,877	%	2,255	24%	(378)	(17%)

EMS business

The gross profit for 2024 amounted to 349 million baht, a decrease of 162 million baht or 32%, compared to the same period last year when the gross profit was 511 million baht. The gross profit margin for 2024 decreased from 15% to 13%. This decline is consistent with the decrease in revenue from the EMS business.

Enterprise solutions business

The gross profit for 2024 amounted to 549 million baht, a decrease of 149 million baht or 21%, compared to the same period last year when the gross profit was 698 million baht. The gross profit margin for 2024 decreased from 32% to 24%. This decline was caused by the Company incurring losses from the Smart Metro Grid project and the procurement of repair parts and installation equipment for the helicopter's IBF system due to delays in project delivery.

Smart service business

The gross profit for 2024 amounted to 979 million baht, a decrease of 67 million baht, or 6%, compared to the same period last year, where the gross profit was 1,046 million baht. The gross profit margin for 2024 decreased from 28% to 26%. There were no significant changes when compared to the same period last year.

Expenses

	2024	2023	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Selling expenses	139	182	(43)	(24%)
Administrative expenses	1,315	1,233	82	7%
Finance expenses	204	189	15	8%
Income tax expenses	157	170	(13)	(8%)

Selling expenses

Selling expenses for 2024 amounted to 139 million baht, a decrease of 43 million baht or 24%, compared to the same period last year, which was 182 million baht. This decrease is attributed to a reduction in advertising, promotional, and transportation expenses related to the TAO BIN vending machine business.

Administrative expenses

Administrative expenses for 2024 amounted to 1,315 million baht, an increase of 82 million baht, or 7%, compared to the same period last year, which was 1,233 million baht. This increase is attributed to various rising expenses, such as employee-related expenses, depreciation of factory buildings, office buildings, and warehouses leased to subsidiaries, and losses from foreign exchange rates, among other factors.

Finance expenses

Financial expenses for 2024 amounted to 204 million baht, an increase of 15 million baht, or 8%, compared to the same period last year, which was 189 million baht. This increase is due to the rise in short-term borrowing used for working capital.

Income tax expenses

Income tax expenses for 2024 amounted to 157 million baht, a decrease of 13 million baht, or 8%, compared to the same period last year, which was 170 million baht. This decline aligns with the decrease in profits.

Financial position

Assets

Unit: Million Baht

	31 December 2024	31 December 2023	Increase (decrease)	% Variance
Current assets	6,365	5,432	933	17%
Non-current assets	5,773	5,617	156	3%
Total assets	12,138	11,049	1,089	10%

As of December 31, 2024, total assets amounted to 12,138 million baht, an increase of 1,089 million baht, or 10%, compared to 11,049 million baht as of December 31, 2023. This increase is primarily due to the rise in loan receivables and advance payments for purchasing goods for various projects.

The quality of assets

Trade account receivables

Unit: Million Baht

	Consolidated financial statements	
	31 December 2024	31 December 2023
Trade account receivables - unrelated parties	940	845
Less: Allowance for expected credit losses	(101)	(95)
Trade account receivables - net	839	750

As of December 31, 2024, and 2023, the Group recorded an allowance for expected credit losses of 101 million baht and 95 million baht, respectively. The Group recognizes expected credit losses on trade receivables without waiting for credit impairment events to occur. The Group will use a simplified approach to assess the expected loss allowance for trade receivables over the lifetime.

Inventories

Unit: Million Baht

	Consolidated financial statements	
	31 December 2024	31 December 2023
Inventories	2,484	2,260
Reduced cost to net realizable value	(561)	(534)
Inventories - net	1,923	1,726

As of December 31, 2024, and 2023, the Group recorded the reduced cost to net realizable value, amounting to 561 million baht and 534 million baht, respectively. The Group estimates the net realizable value of inventory based on changes in selling prices or costs directly related to events occurring after the end of the reporting period, considering inventory movements and the prevailing economic conditions at that time. Management believes the current allowance for inventory write-downs to net realizable value is sufficient.

Source of funds

Unit: Million Baht

	31 December 2024	31 December 2023	Increase (decrease)	% Variance
Current liabilities	7,815	6,278	1,537	24%
Non-current liabilities	1,117	1,489	(372)	(25%)
Total liabilities	8,932	7,767	1,165	15%
Total shareholders' equity	3,206	3,282	(76)	(2%)

Liabilities

As of December 31, 2024, total liabilities amounted to 8,932 million baht, an increase of 1,165 million baht, or 15%, compared to total liabilities of 7,767 million baht as of December 31, 2023. This increase is primarily attributed to the rise in short-term borrowings used for working capital and customer advances for various projects.

Shareholders' equity

As of December 31, 2024, shareholders' equity amounted to 3,206 million baht, a decrease of 76 million baht, or 2%, compared to shareholders' equity of 3,282 million baht as of December 31, 2023. There were no significant changes when compared to the same period last year.

The appropriate of capital structure

The debt-to-equity ratio as of December 31, 2024, was 2.8:1, an increase from 2.4:1 as of December 31, 2023. This increase is due to the rise in current liabilities.

Liquidity

Cash flows

Unit: Million Baht

	2024	2023
Cash flows from (used in) operating activities	364	1,962
Cash flows from (used in) investing activities	(518)	(1,227)
Cash flows from (used in) financing activities	186	(648)

Cash flows from operating activities for 2024 amounted to 364 million baht, a decrease of 1,598 million baht compared to the same period last year, which was 894 million baht. This decline is due to the decrease in operating profit and the increase in working capital.

Cash flows used in investing activities for 2024 amounted to 518 million baht, a decrease of 709 million baht compared to the same period last year, which was 1,227 million baht. This decline is due to the reduction in investments for purchasing TAO BIN vending machines and the decrease in construction costs for the new factory building since most of the construction was completed in 2023.

Cash flows from financing activities for 2024 amounted to 186 million baht, primarily consisting of cash received from short-term borrowings, cash paid for long-term loan repayments, and cash paid as dividends to the Company's shareholders and non-controlling shareholders of subsidiaries. In contrast, cash flows used in financing activities for the year 2023 amounted to 648 million baht, predominantly consisting of cash received from long-term borrowings, cash paid for short-term and long-term loan repayments, and cash paid as dividends to the Company's shareholders and non-controlling shareholders of subsidiaries.

Liquidity ratio

The current ratio as of December 31, 2024, was 0.8:1, which is not significantly different compared to the current ratio of 0.9:1 as of December 31, 2023.

Please be informed accordingly.

Yours sincerely,

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VP of Finance and Accounting